

## - NOUVELLES -

9th April 2018

OUR WEEKLY CAPITAL MARKETS UPDATE

### US & Europe Market News

US Indices				
	Closing	Net		YTD
		Change	% Change	
DJIA	23,932.76	-170.35	-0.71%	-3.18%
S&P 500	2,604.47	-36.40	-1.38%	-2.59%
NASDAQ Composite	6,915.11	-148.33	-2.10%	0.17%
TSX Composite Index	15,207.41	-159.88	-1.04%	-6.18%
CBOE - VIX	21.49	+1.52	7.61%	94.66%

Europe Indices				
	Closing	Net		YTD
		Change	% Change	
UK - FTSE 100	7,183.64	+138.90	1.97%	-6.56%
Eurozone - STOXX 50	3,010.55	+55.98	1.89%	-5.26%
France - CAC 40	5,258.24	+127.80	2.49%	-1.02%
Germany - DAX	12,241.27	+300.56	2.52%	-5.24%
Netherlands - AEX	539.29	+12.29	2.33%	-0.97%
Switzerland - SMI	8,671.04	-85.08	-0.97%	-7.58%

(In Dollar Terms)

- ❖ President Donald Trump threatened more levies against China on Thursday, stating that he has asked the United States Trade Representative to consider \$100 billion in additional tariffs against China. For the week, the major averages closed lower as volatile trading persisted. The Dow and S&P 500 declined 0.7 percent and 1.4 percent this week, respectively. The Nasdaq composite dropped 2.1 percent.
- ❖ Boeing and Caterpillar, two companies that could be adversely affected by a trade war with China, both fell more than 3 percent. Shares of large-cap tech companies also fell. Amazon dropped 3.2 percent while Apple fell 2.6 percent. Netflix dropped 1.7 percent after briefly trading higher.
- ❖ The move lower in stocks also follows the release of much weaker-than-expected jobs data. The Labor Department reported the U.S. economy added 103,000 jobs in March vs an expected gain of 193,000
- ❖ European stocks fell on Friday as the possibility of a trade war between the two largest economies in the world heightened. For the week, EuroStoxx was up almost 2%.
- ❖ Basic Resources and Automobile stocks were the worst performers across European indices.

### BRICS & Asia Market News

BRICS Indices				
	Closing	Net		YTD
		Change	% Change	
Brazil - Ibovespa	84,820.42	-545.14	-0.64%	11.02%
Russia - MICEX	2,281.23	+10.25	0.45%	8.13%
India - SENSEX	33,626.97	+658.29	2.00%	-1.26%
China - Shanghai	3,131.11	+8.82	0.28%	-5.32%
South Africa - JSE Africa	55,878.81	+1,114.84	2.04%	-6.09%

(In Dollar Terms)

Asia-Pacific Indices				
	Closing	Net		YTD
		Change	% Change	
Japan - Nikkei 225	21,567.52	+113.22	0.53%	-5.26%
Hong Kong - Hang Seng	29,844.94	-945.89	-3.07%	-0.25%
South Korea - KOSPI	2,429.58	-16.27	-0.67%	-1.54%
Australia - ASX 200	5,788.74	-.73	-0.01%	-4.56%

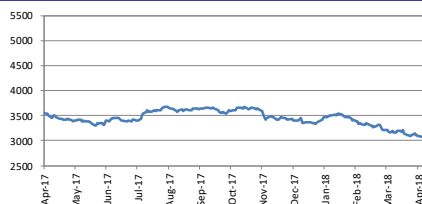
- ❖ Asian markets closed mixed last week as investors weighed the possibilities of a trade war.
- ❖ While Trump announced plans to impose an additional \$100 billion in tariffs, U.S. Trade Representative Robert Lighthizer said those additional tariffs would not be implemented until a public comment process was concluded.
- ❖ Despite the fears of a trade war, indices in Japan, India and South Africa closed higher for the week.
- ❖ The Reserve Bank is expected to go for a hike in key policy rates by the fourth quarter of this year, as the country's recovery is expected to be on sure footing by then, as per a report by Morgan Stanley.

## Middle East Market News

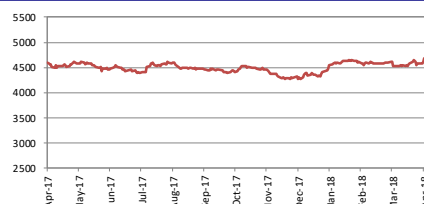
	Key Indices			
	Closing	Net Change	% Change	YTD
Dubai - DFM	3,071.09	-65.27	-2.08%	-8.87%
Abu Dhabi - ADX	4,602.88	+19.35	0.42%	4.65%
Saudi Arabia - TASI	7,963.84	+162.96	2.09%	10.21%
Qatar - QE	8,781.83	+112.79	1.30%	3.03%
Bahrain - BHSE	1,284.49	-18.65	-1.43%	-3.55%
Oman - MSM 30	4,821.19	+84.02	1.77%	-5.45%
Kuwait	6,633.44	+0.00	0.00%	3.52%

(In Dollar Terms)

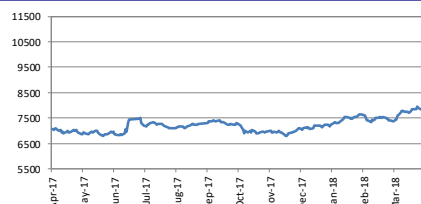
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



- ❖ Saudi Arabia's stock market has risen by around 8 percent since the beginning of 2018 and is currently trading at levels last seen back in August 2015, according to analysts. A report on the Tadawul All Share Index by Jadwa Investment said that in the last few months a number of positive developments have lifted investor sentiment in the Gulf kingdom and led to an improvement in the performance of the market.
- ❖ Saudi based construction giant Dar Al Arkan listed a \$500 million sukuk on Nasdaq Dubai. The five-year sukuk was more than 2 times oversubscribed and received significant interest from Middle Eastern, European and Asian investors. The listing will support its projects including the I Love Florence Tower, a co-branded residential tower project in Downtown Dubai announced in December 2017.
- ❖ Dana Gas, the Sharjah-based energy company embroiled in court battles over the legality of its \$700 million sukuk, received a new injunction from a UK court related to the ongoing dispute with its creditors. The latest injunction prevents the company from paying dividends unless it also sets aside money to redeem the sukuk.

## Commodity Market News

	Commodities			
	Closing	Net Change	% Change	YTD
Gold Spot	1,333.03	+7.55	0.57%	2.32%
Silver Spot	16.38	0.02	0.09%	-3.27%
Platinum Spot	917.35	-14.71	-1.58%	-1.17%
Palladium Spot	905.35	-48.09	-5.04%	-14.87%
Crude Oil (WTI)	62.06	-2.88	-4.43%	2.71%
Crude Oil (Brent)	67.11	-3.16	-4.50%	0.36%
Baltic Dry Ind	948.00	-132.00	-12.22%	-30.60%

- ❖ Oil prices fell on Friday after U.S. President Donald Trump's threat of new tariffs on China reignited fears of a trade war between the world's two biggest economies. China is the main importer (after Canada) of U.S. crude oil, to the tune of about 400,000 barrels per day. Meanwhile, Asian oil traders were struggling to understand how Saudi Arabia derived its official selling prices for May after it unexpectedly raised the price for its flagship Arab Light crude sold to Asian refiners.

## Currency Market News

Currencies			
	Closing		Closing
GBP/USD	1.409	EUR/USD	1.228
USD/JPY	106.930	AUD/USD	0.768
USD/CHF	0.959	EUR/AED	4.511
USD/INR	64.976	EUR/INR	79.519
USD/CNY	6.303	EUR/CHF	1.178
USD/RUB	58.165	AED/INR	17.673

- ❖ The dollar fell on Friday, undermined by the ongoing trade dispute between China and the United States and a report showing the U.S. economy in March created the fewest jobs in six months. The greenback slid against the safe-haven yen and Swiss franc in the wake of new comments from China.
- ❖ The pound has rallied since Britain last month secured a transition deal to cover the 21-month period after it leaves the European Union, and the Bank of England confirmed a policy of monetary tightening would be sooner rather than later. Sterling forecasts are at their highest since Britons voted in 2016 to leave the European Union.
- ❖ Recent strength in the Mexican peso is unlikely to hold in coming months as U.S. President Donald Trump doubles down on his protectionist stance. The latest results, taken April 3-5, suggest a change in attitudes among economists and strategists, who last month mostly shrugged off the prospect of a global trade war.

## Investment Banking Deals

- ❖ Aston Martin is preparing to appoint three banks to manage a possible London stock market listing of the luxury car manufacturer that could value it at between 4 billion pounds and 5 billion pounds (\$5.6 billion to \$7 billion). The British sportscar maker plans to hire Deutsche Bank, Goldman Sachs and JPMorgan to help plan for an initial public offering.
- ❖ Reliance Communications Ltd (RCom) has gotten approval for the debt-laden company to proceed with the sale of its tower and fiber assets. India's Supreme Court on Thursday lifted a high court stay on sale of the company's assets including media convergence nodes, spectrum and real estate, allowing its secured lenders to proceed with the sale.
- ❖ China's HNA Group Co Ltd, the heavily indebted aviation-to-financials conglomerate, plans to sell some or all of its \$6.3 billion stake in Hilton Worldwide Holdings Inc, underlining its need to shed assets and tackle a cash crunch.
- ❖ China's banking and insurance regulator has approved a 60.8 billion yuan (\$9.67 billion) capital injection for Anbang Insurance Group Co Ltd. The plan comes after the government seized control of Anbang in February and said its chairman had been prosecuted, highlighting Beijing's willingness to curb acquisitive conglomerates as it moves forward with a campaign against risk.
- ❖ Shares of Spotify Technology SA ended up 12.9 percent on their first day of trade on the New York Stock Exchange, a smooth debut that could pave the way for other companies looking to go public without the aid of Wall Street underwriters. shares opened at \$165.90, up nearly 26 percent from a reference price of \$132 set by the NYSE late on Monday. The stock ended the session at \$149.01, valuing the world's largest streaming music service at \$26.5 billion. The direct listing was seen as a test case for other companies tempted to list without selling new shares, and for bankers that could lose out on millions of dollars in underwriting fees for future initial public offerings.

Sources: CNBC, Bloomberg, Wall Street Journal & Reuters

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